

MEMORANDUM

#04-21

TO: All Department and School Fiscal Officers
FROM: Trisha L. Neely, Director
DATE: May 3, 2004
SUBJECT: **FISCAL 2004 YEAR-END PROCEDURES**

Please read this document carefully, New information has been added for processing SuperCard payments and Payroll Kickers, and changes have been made to most categories.

I. **FIXED ASSETS FOR YEAR-END**

State organizations will be held more accountable for their fixed assets than in the past so please scrutinize your fixed asset transactions. With the implementation of GASB 34, fixed assets has become a more intricate part of the financial statements, and more than likely, receive a greater amount of attention from the auditors than in the past (see "*Fixed Assets*," Accounting Memorandum #00-11, April 7, 2000).

All fixed asset skeletons and any additional fixed assets must be entered and processed in DFMS no later than **4:30 on Monday, June 21, 2004**. If you need assistance or have questions about entering the fixed assets into DFMS, contact your State Accountant.

IMPORTANT - If you have not recently taken a physical inventory of your fixed assets you should plan to do so between **now** and **June 21, 2004**. Use your monthly "**GAAP Report of Fixed Assets Over \$15,000**" (F25F2705) when taking your physical inventory. Any differences discovered should be adjusted for and recorded in the Fixed Asset System as soon as possible.

II. **DOCUMENT CUT-OFF**

A. Report of Cash Receipts and Deposits (Form CR)

Fiscal 2004 revenue for the State of Delaware includes all monies deposited before 3 p.m. on Wednesday, June 30, 2004. All FY 2004 deposits must be accounted for on the Report of Cash Receipts (Form CR) which is to be delivered to the State Treasurer's Office by **12:00 noon Friday, July 2, 2004, without exception.**

NOTE: The State Treasurer's Office will be open on Saturday, June 26th, and the system will be available to enter CR documents. Please avail yourself of this service.

OMS: OMS organizations must prepare and submit manually prepared CR's for their Wednesday, June 30, 2004, deposits in order to meet the Friday, July 2nd cut-off.

As of Friday, June 11, 2004, please be current with submission of all your CR's. Also, please make arrangements for personal delivery of all CR's during the last week in June. **DO NOT put any CR's in the State Mail after June 18, 2004.**

Remember, it is the **date deposited in the bank** that determines into which fiscal year the revenue falls. Therefore, it is extremely important that all monies be deposited daily, and that all 2004 monies received through Wednesday, June 30, 2004, be deposited before 3 p.m. that day in order to be included in Fiscal 2004 revenues. Your revenue for Fiscal Year 2004 will include deposits through Wednesday, June 30, 2004. All deposits made after Wednesday, June 30, 2004, at 3 p.m. are to be recorded as Fiscal 2005 revenue.

NOTE: Do not enter CRs for July deposits until July 6, 2004.

B. Payment Vouchers (Form PV) - Over \$2,500

Friday, June 18, 2004, will be the last day for acceptance of payment vouchers over \$2,500. However, those payments allowing a **discount** or legitimate **emergencies** will be processed in the normal manner. All other such payments should be kept, entered, and processed on Tuesday, July 6, 2004. The document transaction date **must** be July 6, 2004, or later.

C. Purchase Orders (Form PO) - Over \$2,500

Regular purchase orders for Fiscal 2004 goods and services must be in the Division of Accounting by Friday, June 4th. However, legitimate Fiscal 2004 purchase orders having the specific approval of Trisha Neely, Director, Division of Accounting, and received in the Division of Accounting by **12:00 noon June 25th**, will be accepted.

Care should be exercised in reviewing and adjusting all purchase orders to be sure the balances carried over are only enough to cover obligations for goods and services to be received in Fiscal 2005. Therefore, review your Weekly Schedule of Encumbrances carefully. Adjust your purchase order balances to the minimum amount needed. Send appropriate EA (Encumbrance Adjustment) or PO (Purchase

Order) Modification forms to the Division of Accounting by **12:00 noon** on June 21, 2004.

D. Super Card for Year-End

We encourage state organizations to continue using the Super Card as a payment mechanism during June. There are two processes that can be used to pay the June charges which will appear in the PNC statement received in early July:

- 1) the establishment of an encumbrance; or,
- 2) using an acceptable method of allowing the June charges to be paid out of FY 2005 money; and, in like manner, the June 2005 expenditures would be paid out of FY 2006 money. This method can be adopted when expenditures routinely or consistently overlap fiscal years; expenditures such as, maintenance agreements or equipment rental.

IMPORTANT: Please use the Designation of Appropriation For Payment of Super Card Charges (Attachment "B") to advise us if your coding strip for your automated IV credit card billing will change for FY 2005.

E. PV's and PO's - \$2,500 or less

All POs and PVs \$2,500.00 and under must be processed by 4:30 p.m., June 25, 2004. Check your Suspense File to make sure all documents will be cleared by the nightly processing on June 25, 2004. The Division of Accounting will delete any documents remaining on the Suspense File with a date of June 30, 2004.

Note: All applicable purchase orders, encumbrance adjustments, and payment vouchers must be in the hands of the Division of Accounting by 12:00 noon Thursday, June 24, 2004. Cash Adjustments (CA's) may be processed through Friday, June 25, 2004.

Intergovernmental Voucher (IV) documents for postage, fleet rental, telephone, graphics & printing and Super Card, only through May's billing, are to be processed before June 28, 2004, in the current fiscal year. June's IV billing will be charged in July. Organizations should ensure that purchase order line balances are sufficient to cover these charges.

No agency will be permitted to accumulate documents. Documents must be processed daily. Documents noted above put into the mail or pony express and received after June 28th will be considered next year's work. Therefore, you may have to make special arrangements for personal delivery to be sure documents are received by the Division of Accounting by the appropriate due date.

F. Payroll Kickers

Starting with this fiscal year's close out we are requesting state organizations to submit the name and telephone number of a contact person to assist in clearing the suspense table of any payroll kickers that have occurred from the final payroll charge for fiscal year 2004. If a contact person is not identified and there are unresolved payroll kickers, the Division of Accounting will select an appropriation with available funds in the organization and charge any payroll kickers accordingly.

III. ACCOUNT RECONCILIATIONS

The May close will occur on Thursday, June 3, 2004. To help you keep track of your transactions in June, we will continue to provide Weekly Budgetary Activity and Schedule of Encumbrances or you may access Mobius. It is most important that these reports be used to reconcile immediately any differences between the reports and your organization's records. Please call the Division of Accounting immediately if any differences are detected.

IMPORTANT - Please use the new **Report of Reconciliation** (Attachment "A") to advise the Director of Accounting that you have reconciled all your transactions and reports for FY 2004. All organizations must have year-end reconciliations to the Director no later than Friday, July 19, 2004.

On final payment vouchers paid in June, mark "F" (**final**) so that the purchase order is liquidated.

Carefully check your balances and keep track of your purchase orders in June. Use your **Weekly Schedule of Encumbrance Report and the Appropriation/Suspense (APSF) table in DFMS Informational Memorandum #90-9**. For State organizations utilizing Mobius, all DFMS reports will be updated during nightly processing and available on-line the following morning including Saturday, June 26th.

Remember, all General Fund and Special Fund PO's carried over into FY 2005 retain their same coding strip (except for organizations which are being reorganized). For General Funds, the Appropriation Type (not part of the coding strip) will change to designate 03 and 04 appropriations.

IV. AUTOMATIC LAPSING OF PURCHASE ORDERS

All appropriation type 04 purchase order balances for Fiscal Year 2004 **and** type 30 Fiscal 2003 Encumbrances will be lapsed **without exception** on June 30, 2004. Also, **any** PO that had no activity during FY 2004 will be lapsed as of June 30, 2004, (excluding FY 2004 PO's).

V. **TRAVEL ADVANCES**

All travel advances for this fiscal year **must** be closed out by **12:00 noon** Wednesday, June 23, 2004, unless specifically approved by the Director, Division of Accounting. Failure to do so can result in a suspension of travel advances for your agency.

VI. **PETTY CASH FUNDS - GENERAL AND SPECIAL FUNDS**

All petty cash accounts can remain open at June 30, 2004. Organizations can choose to close their petty cash accounts at their option.

VII. **CANCELED VENDOR AND PAYROLL CHECKS**

All Fiscal 2004 canceled vendor and payroll checks must be in the Treasurer's Office by Wednesday, June 16, 2004. Any Fiscal 2004 canceled checks after this date must be held and submitted in Fiscal 2005. Any canceled checks from the period of January to May must be submitted by June 7, 2004.

VIII. **FISCAL 2004/2005 APPR. ACCOUNT CONVERSIONS & SET-UPS**

The automatic conversion and set-up of the FY 2005 appropriation accounts will be as follows:

General Funds:

- A. Appropriation types 01 & 02 will be set up pursuant to the Budget and Supplemental appropriations passed for FY 2005.
- B. Type 03 appropriations will be designated based on an authorized reversion date later than June 30, 2004.
- C. Type 04 will be assigned to all General Fund accounts that have encumbrances outstanding at June 30, 2004, with an end date of June 30, 2004, or earlier.
- D. The FY 2005 type 03 and 04 appropriations will have all prior year amounts reduced to zero--except for the appropriation amount. This means that the appropriation amount shown for type 03 will be the sum of the encumbrances plus the unencumbered balance. The appropriation amount for type 04 will be the amount of the carryover encumbrances.

Special Funds:

- A. Appropriation types 20 and 30 will be handled as follows:

1. If the appropriation end date is later than June 30, 2004, the account continues in its June 30, 2004, status. There are no conversions.
 2. If the appropriation end date is June 30, 2004, or earlier and:
 - a. there are no encumbrances or unencumbered balances, then the appropriation will be deleted.
 - b. there is an outstanding encumbrance and no unencumbered balance, the account will remain in its June 30, 2004, status.
 - c. there is an unencumbered balance, a new FY 2005 appropriation account will be established, and the unencumbered balance will be automatically transferred from the old account to the FY 2005 account. (Note: All encumbrances will remain with the old account. Only the unencumbered balances will be transferred. If the old account does not have any encumbrances, the old account will be deleted after transferring the unencumbered balance to the new account.)
- B. Appropriation type 40 will remain unchanged.
- Except**, if the end date has passed and there are no encumbrances and no unexpended balance on APPR; and, no encumbrances and the end date has passed on DEFA (Department Federal Aid Table) for the matching SAI (State Application Identifier) -- then the appropriation will be deleted.
- C. Appropriation type 50 will remain unchanged.
- Except**, if the end date has passed and there are no encumbrances or unexpended balance, then the appropriation will be deleted.

Miscellaneous:

- A. Those organizations involved in budget structure reorganization will automatically have their appropriation codes converted to the new organization structure. Additional instructions will be forthcoming if applicable to you.
- B. Organizations should review all of their appropriation end dates prior to the year-end conversion. Contact your Budget Analyst to request any change to appropriation end dates.

IX. **FISCAL 2005 START-UP**

Except as noted below, data entry and acceptance of all Fiscal 2005 documents is scheduled to begin Monday, July 6, 2004. Organizations that upload transactions to the DFMS Suspense File must be sure that FY 2005 transactions are dated July 1, 2004.

Beginning June 1, 2004, we will begin accepting Fiscal 2005 purchase orders which meet all of the following requirements:

1. The purchase order **must** be for goods or services required prior to July 6, 2004. That is, the organization requires the purchase order to be issued in order to maintain necessary operations at the very start of the fiscal year, so as to avoid "after-the-fact" purchase orders. (Purchase orders not required to maintain services, should be held and submitted July 6, 2004 as stated above.)
2. All such required purchase orders must have stapled to the upper left hand corner of the batch ticket a yellow "Next Fiscal Year" form. (If you require this form, please contact the mail desk at 744-1051.) For FY 2005 documents, code BFY (Budget Fiscal Year) as 2005 for all General Fund Type 01 accounts, and date the transaction July 1, 2004. These early entries will produce error screen messages.
3. Purchase orders must be batched and in a separate envelope from Fiscal 2004 work. Organizations must use the Batch numbering formats as described in DFMS Memorandum 88-11 dated March 7, 1988. Note that the batch for FY 2005 must commence with the number five (5).

Note: The IBU's (Internal Budget Units) and MBU's (Micro Budget Units) in the ORGN (Organization) table for FY 2005 will contain only those IBU's and MBU's that have had expenditure or purchase order activity subsequent to June 30, 2003.

State organizations are required to pay monthly premium payments in lieu of the normal annual payment, where applicable. **Any contracts that have been negotiated to receive an annual payment, at the beginning of the fiscal year instead of being spread throughout the year in monthly installments, should be reviewed to determine if this practice should continue** (ref. Budget and Accounting Manual VII, C, 10, b & c). These payments will be flagged by your State Accountant and you will be required to justify the up-front payment.

X. **AUTHORIZED SIGNATURES - All Organizations and School Districts**

School districts should submit new signature cards as soon as new school boards are organized. Agencies should submit new signature cards as of July 1, 2004, only if changes have been made from what is currently on file. The agency head **MUST** sign with a **LIVE** signature to authorize signatures on the signature card. Reference **29 Del. C. § 6512** and **6514** and State of Delaware Budget and Accounting Manual: Chapter VII page 1.

TLN:eed
Attachment

ATTACHMENT "A"

TO: Trisha Neely, Director
Division of Accounting

FROM: _____

DEPT: _____

DIV(S): _____

SUBJECT: **REPORT OF RECONCILIATION - FY 2004**

IMPORTANT***ACTION IS REQUIRED**

I certify that **ALL** transactions that were entered into **DFMS** for **FY 2004** have processed correctly. Therefore, all Budgetary Activity, Unliquidated Encumbrances, Revenue Activity, and Federal Detail Reports for all appropriations have been reviewed and reconciled for the above Department/Division(s).

Signed: _____
Responsible Officer

Date: _____

Check if applicable - ☐ **ALL** discrepancies are attached:

*******IMPORTANT REMINDER*******

THIS FORM IS DUE BY FRIDAY, JULY 19, 2004

PLEASE FAX TO 302-744-1045

ATTACHMENT B

**STATE OF DELAWARE
DIVISION OF ACCOUNTING**

DESIGNATION OF APPROPRIATION FOR PAYMENT OF SUPERCARD

ACCOUNT CODE

PURCHASE ORDER REFERENCE				F Y	FUND	DEPT	ORGANIZATION	APPR	OBJT	SUB- OBJT	PROG	REPT CAT
CODE	DEPT	NUMBER	LINE									
									9350			

**AGENCY COPIES OF IV
DOCUMENTS**

ARE TO BE SENT TO:

NAME:

AGENCY:

STATE LOCATION CODE
(SLC)_____

TELEPHONE NUMBER:

**AGENCY COPIES OF BACKUP TO
IV DOCUMENTS ARE TO BE SENT**

TO:

NAME:

AGENCY:

STATE LOCATION CODE
(SLC)_____

TELEPHONE NUMBER:

**RETURN THIS FORM VIA E-MAIL
TO:**

Phyllis.jurczak@state.de.us

Phyllis Jurczak

Div. of Accounting

Thomas Collins Bldg., Suite 3

Dover, DE 19901

SLC D570C

FAX: (302) 744-1045